

SEA 396: ASSESSMENT OF AGRICULTURAL LAND

- For current property taxes first due and payable in 2011 and thereafter, requires the Department of Local Government Finance to use an adjusted six year average that eliminates the highest value determined for the six year period when making the annual calculation of the base rate for the assessment of agricultural land.

Effective Date: January 1, 2010

Final Vote: House 97-1 (*nay – Fry*)
Senate 50-0

Author/Sponsor: Senators Kenley and Hershman/Rep. Grubb

Fiscal Impact: Under the former law, the base value per acre of farmland is \$1,250 for taxes payable in 2010, and is currently estimated at \$1,400 for 2011, \$1,700 for 2012, and \$1,810 for 2013. Under this bill, the base rate is estimated at \$1,290 for 2011, \$1,500 for 2012, and \$1,620 for 2013.

The reduction in the farmland base rate in this bill would result in a smaller tax base than under former law. This would lead to a higher tax rate. The statewide average tax rate per \$100 of assessed value would increase by an estimated \$0.0118 in 2011, \$0.0204 in 2012 and \$0.0184 in 2013.

This increased tax rate would shift part of the tax burden from farmland to all other classes of property. In addition, circuit breaker credits would increase by a small amount and tax increment finance proceeds would increase slightly.

Groups Affected: Department of Local Government Finance, county treasurers, county assessors, county auditors, landowners and farmers.

SEA 400: MOTOR VEHICLES

- *Regulating Off-Road Vehicles.* This bill defines “all-terrain vehicle” (ATV) and “recreational off-highway vehicle” (ROV). It amends the definition of “off-road vehicle” for purposes of regulation of land recreation to specifically include ATVs and ROVs. The bill prohibits (1) a county, city, or town from adopting an ordinance; and (2) the Department of Natural Resources (DNR) from adopting a rule, regulation, or guideline; that imposes on off-road vehicles a dry weight limitation of less than 2,000 pounds. The bill cross-references the new ATV definition for purposes of excluding ATVs from requirements concerning the repurchase of farm or industrial machinery. The bill provides that a governmental entity or an employee acting within the scope of the employee’s employment is not liable if a loss results from the operation of an off-road vehicle by a non-governmental employee, or by a governmental employee not acting

within the scope of the employment of the employee, on a public highway in a county road system outside the corporate limits of a city or town, unless the loss is the result of an act or omission amounting to gross negligence, willful or wanton misconduct, or intentional misconduct, with certain exceptions.

- *Off-Road Vehicles Used for Construction Purposes.* This bill adds a 3-, 4-, or 6-wheeled construction-related motor vehicle that is: (1) capable of cross-country travel without the benefit of a road and on or immediately over land, water, snow, ice, marsh, swampland, or other natural terrain; and (2) used primarily for construction-related purposes; to the definition of “farm wagon” for purposes of the operation of the motor vehicle on highways.
- *Registration of Collector Snowmobiles.* This bill requires a collector snowmobile to be registered with the Department of Natural Resources (DNR) in order to be operated on public property.

Effective Date: July 1, 2010

Final Vote: House 90-4 (*nay – Candelaria Reardon, Delaney, Dembowski, Duncan*)
Senate 50-0

Author/Sponsor: Sen. Yoder/Rep. Austin

Fiscal Impact:

State Expenditures:

Regulating Off-Road Vehicles. This provision is within the agency’s routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Off-Road Vehicles Used for Construction Purposes. This provision should have no fiscal impact. Farm wagons are not titled and are not registered. It is not an off-road vehicle when used for construction purposes. A driver’s license is not required to operate a farm wagon. Since it is not an off-road vehicle, there are no restrictions on highway travel except for travel on an interstate highway.

Registration of Collector Snowmobiles. The DNR may experience an increase in administrative expenses associated with adopting rules. However, the DNR should be able to cover any additional expenses given its existing level of resources.

State Revenues:

Regulating Off-Road Vehicles. The bill should result in more vehicle registrations. The fee per vehicle is \$30 for three years. The amount of additional revenue that this bill will generate is indeterminable at this time. Revenue generated from the fee is deposited in the Off-Road Vehicle and Snowmobile Fund, which is used for enforcement, construction, and maintenance of vehicle trails.

Registration of Collector Snowmobiles. The bill provides for a registration fee for collector snowmobiles. Assuming that 500 collector snowmobiles will be registered, additional revenue is estimated at \$15,000. Snowmobiles must be registered once every three years. Fees are deposited into the Off-road Vehicle and Snowmobile Fund, which is administered by the DNR and used for enforcement and the construction and maintenance of off-road vehicle and snowmobile trails. Generally, collector snowmobiles are used only during special events, such as parades and shows. The Treasurer of State invests money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Money in the fund at the end of the state fiscal year does not revert to the state General Fund. Violators may be subject to a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Local Expenditures:

Regulating Off-Road Vehicles. The bill would impact local expenditures only if local units need to modify existing ordinances. Additionally, providing that local units are not liable under certain circumstances could protect local units from future additional expenditures.

Local Revenues:

Registration of Collector Snowmobiles--Penalty Provision. If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

Groups Affected: Department of Natural Resources, Department of Transportation, counties, cities; towns, and vehicle owners.

HEA 1099: STANDARDS FOR LIVESTOCK AND POULTRY CARE

- Allows the Board of Animal Health to assist organizations that represent poultry producers with issues related to poultry. Allows the Board to adopt rules to establish standards governing the care of livestock and poultry. The Board shall consider the following when adopting the standards:
 - (1) The health and husbandry of the livestock and poultry.
 - (2) Generally accepted farm management practices.
 - (3) Generally accepted veterinary standards and practices.

- (4) The economic impact the standards may have on:
- (A) livestock and poultry farmers;
 - (B) the affected livestock and poultry sector; and
 - (C) consumers.

Effective Date: January 1, 2011

Final Vote: House 94-0
Senate 50-0

Author/Sponsor: Rep. Goodin/Senators Head, Deig, and Steele

Fiscal Impact: Minimal

Groups Affected: Board of Animal Health, livestock and poultry farmers.

HEA 1230: GRAIN BUYERS AND GRAIN INDEMNITY PROGRAM; SEEDS

- *Grain Buyers and Warehouse Licensing and Bonding Law.* This bill makes certain changes in the grain buyers and warehouse licensing and bonding law, including the following: (1) authorizes the Director of the Grain Buyers and Warehouse Licensing Agency (Agency) to require a grain buyer offering deferred pricing, delayed payments, or contracts linked to the commodity futures or commodity options market in connection with a grain purchase to document the agreement in writing not more than 21 days after delivery; (2) requires the Director of the Agency to be a member of national grain regulatory organizations; (3) provides that a depositor who does not present a claim at the hearing held by the director of the Agency concerning a possible shortage may bring a claim to the Agency within 15 days after the conclusion of the hearing.
- *Grain Indemnity Program Law.* The bill makes certain changes in the Grain Indemnity Program Law, including the following: (1) alters the definitions of the terms “claimant”, “deferred pricing”, “failure”, “grain buyer”, “warehouse”, and “warehouse operator”; and (2) provides that, in determining the amount of compensation to which a claimant who incurred a financial loss due to the failure of a grain buyer is entitled, the compensable part of the claimant's loss is to be reduced by all credits and offsets and any producer premium that should have been due on the sale of the grain.

The bill repeals provisions: (1) defining a “valid claim”; (2) concerning a grain buyer's registration with the board of the Grain Indemnity Corporation; (3) authorizing inspection of the books and records of a registered grain buyer to confirm compliance with the law; (4) excluding a producer from protection under the grain indemnity program under certain circumstances; and (5) providing that the claim of a claimant who incurred a storage loss due to the failure of a warehouse operator is valid only if brought within one year after publication of notice of the grain buyer's failure.

The bill requires the governing body of the Indiana Grain Indemnity Corporation to hold a meeting in July and to certify at that meeting the amount of money in the Indiana Grain

Indemnity Fund on June 30. (Current law requires the governing body to hold a meeting in May and certify the amount of money in the fund on May 1.)

- *Special Use Permit for Noxious Weed Seeds.* The bill provides that the state Seed Commissioner must issue a written special use permit to a person to use a prohibited noxious weed seed or a restricted noxious weed seed for purposes of research, development, production, or education. The Seed Commissioner may grant a special use permit, condition a special use permit or deny a special use permit. The Seed Commissioner may revoke a special use permit at any time if it appears the permit holder is not complying with the conditions established under the special use permit.
- *Seed Commissioner.* This bill allows the Seed Commissioner to adopt rules establishing certain fees and civil fines. The bill requires that rules for tags and label fees be adopted before July 1, 2011.
- *Seed Labeling.* The bill provides that certain information be included on the label for the following seeds: cool season lawn and turf grasses; vegetable seeds in packets as prepared for use in home gardens or household plantings; vegetable seeds in preplanted containers, mats, tapes, or other planting devices in containers not exceeding one pound; and vegetable seeds in containers exceeding one pound.

Effective Date: All provisions effective March 17, 2010 except the requirement that the Seed Commissioner shall adopt rules for certain fees to be adopted before July 1, 2011, which is effective July 1, 2010.

Final Vote: House 92-0
Senate 50-0

Author/Sponsor: Rep. Pearson/Senators Alting and Hume

Fiscal Impact: Minimal

Groups Affected: Indiana Grain Buyers and Warehouse Licensing Agency, Indiana Grain Indemnity Corporation, State Seed Commissioner at Purdue University, grain farmers, grain elevators, seed companies and researchers.

HEA 1232: REMOVALS OF LOGJAMS IN FLOODWAYS

- Provides that a permit is not required to remove a logjam or mass of wood debris that has accumulated in a river or stream subject to the following conditions:
 - Work must not be within a salmonid stream designated under 327 IAC 2-1.5-5 without the prior written approval of the department's division of fish and

wildlife.

- Work must not be within a natural, scenic, or recreational river or stream designated under 312 IAC 7-2.
- Except as otherwise provided in Indiana law, free logs or affixed logs that are crossways in the channel must be cut, relocated, and removed from the floodplain. Logs may be maintained in the floodplain if properly anchored or otherwise secured so as to resist flotation or dislodging by the flow of water and placement in an area that is not a wetland. Logs must be removed and secured with a minimum of damage to vegetation.
- Isolated or single logs that are embedded, lodged, or rooted in the channel, and that do not span the channel or cause flow problems, must not be removed unless the logs are either of the following:
 - (i) Associated with or in close proximity to larger obstructions.
 - (ii) Posing a hazard to navigation.
- A leaning or severely damaged tree that is in immediate danger of falling into the waterway may be cut and removed if the tree is associated with or in close proximity to an obstruction. The root system and stump of the tree must be left in place.
- To the extent practicable, the construction of access roads must be minimized, and should not result in the elevation of the floodplain.
- To the extent practicable, work should be performed exclusively from one (1) side of a waterway. Crossing the bed of a waterway is prohibited.
- To prevent the flow of sediment laden water back into the waterway, appropriate sediment control measures must be installed.
- Within fifteen (15) days, all bare and disturbed areas must be revegetated with a mixture of grasses and legumes. Tall fescue must not be used under this subdivision, except that low endophyte tall fescue may be used in the bottom of the waterway and on side slopes.

Effective Date: July 1, 2010

Final Vote: House 77-1 (*nay – Dvorak*)

Senate 47-3 (*nay – Errington, Landske, Tallian*)

Author/Sponsor: Rep. Dermody/Senators Charbonneau and Arnold

Fiscal Impact: Bill codifies existing emergency rule. No additional fiscal impact.

Groups Affected: Landowners.

HEA 1261: RENEWABLE ENERGY

- Changes the name of the E85 Fueling Station Grant Program to the Agricultural Biomass infrastructure Grant Program. Authorizes ISDA to award grants from the agricultural biomass infrastructure grant fund for certain infrastructure used for the production or distribution of biofuels (fuels produced from biomass). Provides that grants for biofuels projects may be awarded for infrastructure expenses incurred after December 31, 2009. Provides that the amount of a grant for certain infrastructure used for the production or distribution of biofuels may not exceed the lesser of: (1) 50% of the recipient's qualified investment; or (2) \$100,000.
- Changes definition of "renewable energy sources" to include "animal byproducts" and "algae" as part of organic waste biomass and to eliminate "waste from clean construction and demolition".

Effective Date: January 1, 2010 for provisions dealing with the grant program. January 1, 2011 for the change of definition for "renewable energy sources".

Final Vote: House 95-1 (*nay – Fry*)
Senate 49-1 (*nay – R. Young*)

Author/Sponsor: Rep. Friend/Senators Stutzman, Head, and Deig

Fiscal Impact: The provisions of the bill will allow ISDA to use money in the existing E85 Fueling Station Grant Fund to award competitive grants for infrastructure projects that use renewable energy systems to produce or distribute biofuels from agricultural-based biomass. The bill does not contain an additional appropriation. It will require no new funding.

Groups Affected: ISDA, Indiana Office of Energy Development and agricultural biomass producers.

PUBLIC LAW INDEX

ENROLLED ACT	PUBLIC LAW
SEA 396	P.L. 112 – 2010
SEA 400	P.L. 86 – 2010
HEA 1099	P.L. 50 – 2010
HEA 1230	P.L. 75 – 2010
HEA 1232	P.L. 76 – 2010
HEA 1261	P.L. 95 – 2010